MODIMOLLE MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

INDEX

	CONTENTS	PAGE
1.	GENERAL INFORMATION	1
2.	FOREWORD	2
3.	APPROVAL AND CERFIFICATION	3
2.	REPORT FROM AUDITOR GENERAL	4
4.	CHIEF FINANCIAL OFFICER'S REPORT	5
5.	ACCOUNTING POLICIES	6
6.	BALANCE SHEET	9
7.	INCOME STATEMENT	10
8.	CASH FLOW STATEMENT	11
9.	NOTES TO FINANCIAL STATEMENTS	12
10.	APPENDIXES	
A	STATUTORY FUNDS, TRUST FUNDS	21
B	EXTERNAL LOANS AND INTERNAL ADVANCES	22
C	ANALYSIS OF FIXED ASSETS	23
D	ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDING 30 JUNE 2008	24
E	DETAILED INCOME STATEMENT	25

PAGE

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillors:

Clr TT Mohapi	Chairperson
Clr KE Lekalakala	Member
Clr WJ Fourie	Member

GRADING OF MUNICIPALITY
Grade 3

AUDITORS
Office of the Auditor-General

BANKERS
First National Bank - Modimolle Branch

REGISTERED OFFICE

Civic Centre	Postal Address
OR Tambo Square	Private Bag X1008
Harry Gwala Street	MODIMOLLE
MODIMOLLE	510

Telephone:	(014) 717 5211
Fax:	(014) 717 4077

ACTING MUNICIPAL MANAGER
K S LEKALA

ACTING CHIEF FINANCIAL OFFICER
S S M BOTHA

MAYOR
Clr TT Mohapi

SPEAKER
Clr M P Kekana

MEMBERS OF THE MODIMOLLE COUNCIL

1 Clr SA Sebolai
2 Clr MA Moima
3 Clr SR Monayane
4 Clr WJ Fourie
5 Clr MS Olifant
6 Clr LR Motshegoa
7 Clr KE Lekalakala
8 Clr LW Van Aswegen

Proportional

W L Botes (Jnr)
M P Kekana
M J Mashao
T T Mohapi
R R Molekoa
M S Motshegoa
S D Sebelebele
L G Trichardt

FOREWORD BY HIS WORSHIP THE MAYOR

The year ending on 30 June was a very challenging year.

The Integrated Development Planning was done in house and many people participated in the process. Public participation is on the path of growth and of interest to them, especially on service delivery.

The results of the 2007/08 financial period show a positive balance. This should however not be seen as an achievement as it may reflect under spending. It is our wish that we improve in this aspect. Evidently the over whelming support we enjoyed from the community must be applauded.

Finally, I wish to express my gratitude to fellow councillors in the Council committee on Budget and Treasury, the Executive Committee, Council and our staff, especially the Acting Municipal Manager and the Acting Chief Financial Officer. Your loyalty dedication and support is highly valued.

Clr TT Mohapi
MAYOR

APPROVAL AND CERTIFICATION

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 25, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 14 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

K S LEKALA **DATE**
ACTING MUNICIPAL MANAGER

REPORT OF THE CHIEF FINANCIAL OFFICER

Introduction
It is a privilege to present this report for the 2007/2008 financial year.

1 Operating Results

Details of the operating results per department, classification and object of expenditure are included in appendixes D and E.
The overall operating results for the year ended 30 June 2008 is as follows:

INCOME	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual / budgeted %
Opening deficit					
Opening accumulated surplus	22 514 937	24 318 853			
Operating income for the year	103 551 006	84 853 701	22	104 394 335	(1)
	126 065 943	**109 172 554**		**104 394 335**	

The actual income is only R843 329 morethen budgeted.

EXPENDITURE	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual / budgeted %
Operating expenditure for the year	100 881 046	75 785 741	33	104 367 995	(3)
Sundry transfers	1 861 144	10 871 876			
Closing accumulated surplus	23 323 753	22 514 937			
	126 065 943	**109 172 554**		**104 367 995**	

The variance between the actual and budgeted amounts is mainly a result of vacnt position.

1.1 Rates and general services

	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual / budgeted %
Income	52 004 546	45 178 345	15	45 742 079	13.7
Expenditure	60 292 933	40 631 820	48	53 314 841	13.1
Surplus/(deficit)	(8 288 387)	4 546 525		(7 572 762)	
Surplus(deficit) as % of total income	**(16)**	**10**		**(17)**	

The variance between the actual and budgeted income is due to the conditional grants that are recognised as revenue whilst expenditure is due to actual salaries and allowances being less that budgeted for:

1.2 Trading services

ELECTRICITY	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual / budgeted %
Income	32 153 398	26 646 646	21	34 789 751	(7.6)
Expenditure	25 876 550	24 021 643	8	29 809 926	(13.2)
Surplus/ (deficit)	6 276 848	2 625 003		4 979 825	
Surplus(deficit) as % of total income	**19.5**	**9.9**		**14.3**	

The variance in actual income is due to the increase in tariffs. The variance in expenditure is due to the vacancies that existed.

WATER	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual / budgeted %
Income	19 393 062	13 028 710	49	23 662 505	(18.0)
Expenditure	14 711 563	11 132 278	32	18 425 125	(20.2)
Surplus/ (deficit)	4 681 499	1 896 432		5 237 380	
Surplus(deficit) as % of total income	**24.1**	**14.6**		**22.1**	

The variance between the actual and budgeted is due to over budgeting.

2 Capital expenditure and financing

The expenditure on fixed assets during the year amounted to R15 687 357 and is 54,7% less than the previous year. The actual expenditure is 59% less than budgeted and consist of the following:

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Asian township	-		1 100 719
Cemetary	-		184 254
Public works	2 317 804	5 600 000	900 274
Parks and recreation grounds	468 002	6 310 000	976 599
Communication & Development	-		861 788
Council general expenses	-		258 281
Financial Services	531 655		515 491
IDP/LED	125 799	39 100 000	-
Administration		50 000	
Townsip Development	327 945		-
Traffic services	444 568	300 000	225 191
Workshop	7 818		5 419
Housing		41 350 000	
Municipal buildings	1 487 379	1 000 000	840 871
Refuse removal		5 180 000	856 695
Sewerage	5 488 358	32 700 000	4 098 410
Electricity	1 503 680	12 100 000	650 808
Water	2 984 349	3 850 000	12 788 419
	15 687 357	**147 540 000**	**24 263 220**

The significant variance between actual and budgeted expenditure is due to the fact that the necessary funding could not be obtained for all the projects budgeted.

Resources used to finance the fixed assets were as follows :

	Actual 2008 R	Budget 2008 R	Actual 2007 R
External loans	-	5 000 000	-
Operating income	1 678 050	410 000	400 962
Captital Development Fund	2 612 353	6 100 000	
Reserves		2 400 000	
Infrastructure fund			
Contributions from District Council	-		10 943 295
Grants and subsidies	11 396 953	124 530 000	2 396 580
	15 687 356	**138 440 000**	**13 740 838**

Refer to Appendix C for further details.

3 External loans, investments and cash

The current figures for external loans, investments and cash are as follows:

	2008	2007
External loans	4 696 943	5 305 496
External investments	32 000 834	2 902 265
Bank overdraft	10 712 195	5 656 271

External loans outstanding on 30 June 2008 amounted to R 4 696 943. During the year loans totalling R608 53 were repaid.
Net investments of R 2 974 569 were made during the year.

Additional information regarding external loans, investments and cash are disclosed in notes 4, 7, and 11 and Appendix B to the financial statements.

4 Appreciation

I would like to extend my gratitude to the Mayor, Speaker, Councillors, the Acting Municipal Manager, Managers of Departments and all officials for the support they have given to me during the financial year.

S S M BOTHA
ACTING CFO

DATE

BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		30 156 057	27 815 602
Statutory Funds	1	30 156 057	27 815 602
ACCUMULATED SURPLUS	16	23 323 753	22 514 937
OPERATING ACCOUNT: HOUSING FUND	2	483 263	340 558
		53 963 073	**50 671 096**
TRUST FUNDS	3	49 269	49 269
LONG TERM LIABILITIES	4	4 125 361	4 733 892
CONSUMER DEPOSITS	5	2 281 453	2 187 418
		60 419 156	**57 641 676**
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	26 691 247	27 047 301
INVESTMENTS	7	1 908 139	1 647 491
LONG TERM DEBTORS	8	100 267	163 692
		28 699 653	28 858 484
NET CURRENT ASSETS		31 719 503	28 783 192
CURRENT ASSETS		67 128 628	55 574 399
Stock	9	2 490 439	1 611 371
Debtors	10	23 785 204	22 103 421
Bank and cash	11	10 712 195	4 341 584
Short term investments	7	30 092 695	27 378 774
Short term portion of long term debtors	8	48 095	139 249
CURRENT LIABILITIES		35 409 125	26 791 207
Creditors	12	34 837 543	26 219 603
Short term portion of long term liabilities	4	571 582	571 604
		60 419 156	**57 641 676**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income R	2007 Actual expenditure R	2007 Actual surplus/ (deficit) R		2008 Actual income R	2008 Actual expenditure R	2008 Actual surplus/ (deficit) R	2008 Budget surplus/ (deficit) R
39 643 341	**32 402 477**	**7 240 864**	**RATES AND GENERAL SERVICES**	**52 004 546**	**60 292 933**	**(8 288 387)**	**(10 147 163)**
30 825 531	28 689 366	2 136 165	Community services	31 858 514	39 352 588	(7 494 074)	(10 722 743)
192 215	625 397	(433 182)	Subsidised services	252 798	210 908	41 890	
14 160 599	11 317 057	2 843 542	Economic services	19 893 234	20 729 437	(836 203)	575 580
39 675 356	**35 153 921**	**4 521 435**	**TRADING SERVICES**	**51 546 460**	**40 588 113**	**10 958 347**	**10 217 205**
84 853 701	**75 785 741**	**9 067 960**		**103 551 006**	**100 881 046**	**2 669 960**	**70 042**
		(10 871 876)	Appropriations for the year (Refer to note 17)			(1 861 144)	
		(1 803 916)	**Net (deficit)/surplus for the year**			808 816	
		24 318 853	Accumulated surplus beginning of year			22 514 937	
		22 514 937				**23 323 753**	

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	18	12 887 384	25 267 933
Investment income		2 953 140	1 561 571
Increase in working capital	19	(2 342 825)	3 862 901
		13 497 699	**30 692 405**
Less : External interest paid		(597 831)	(608 914)
Cash available from operations		**12 899 868**	**30 083 491**
Cash contribution received Government organisations			
Proceeds on disposal of fixed assets			
CASH UTILISED IN INVESTING ACTIVITIES			
Investments in fixed assets		(15 687 357)	(14 831 758)
NET CASH FLOW		**(2 787 489)**	**15 251 733**
CASH EFFECTS OF FINANCING ACTIVITIES			
(Decrease) in long-term liabilities	20	(608 553)	(633 768)
(Increase)/decrease in investments	21	(2 974 569)	(11 251 058)
Decrease/(Increase) in cash	22	6 370 611	(3 366 907)
NET CASH GENERATED		**2 787 489**	**(15 251 733)**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008 R	2007 R
1.	**STATUTORY FUNDS**		
	Capital development fund	23 945 690	21 548 149
	Endowment Electricity	628 280	548 076
	Endowment Water	222 778	222 778
	Endowment Sewerage	174 266	174 266
	Land Trust Fund	4 583 653	4 582 430
	Endowment Extension 9	5 754	5 754
	Town Development Suspense	(270 501)	(42 312)
	Bursary Loan Fund	467 119	377 443
	Loan Redemption Fund	364 018	364 018
	Parking Fund	35 000	35 000
		30 156 057	**27 815 602**
	(Refer to appendix A for more details)		
2.	**OPERATING ACCOUNT: HOUSING FUND**		
	Housing Fund	**483 263**	**340 558**
	The operating account of the Housing Fund was established in terms of the Housing Act, No 107 of 1997, which came into effecton 1 April 1998. Certain balances previously disclosed as Statutory Funds and Reserves were transferred to the operating account. Refer to appendix A for more detail.		
3.	**TRUST FUNDS**		
	Road subsidy fund	12 485	12 485
	Coin collection and artworks	35 758	35 758
	Voortrekker memorial garden	1 026	1 026
		49 269	**49 269**
	(Refer to appendix A for more details)		
4.	**LONG TERM LIABILITIES**		
	Bank loans	150 201	329 125
	Development Bank of S A	4 546 742	4 976 371
		4 696 943	5 305 496
	Less: Current portion transferred to Current Liabilities	(571 582)	(571 604)
		4 125 361	**4 733 892**

		2008 R	2007 R
5	**CONSUMER DEPOSITS**		
	Electricity and Water	**2 281 453**	**2 187 418**
	Guarantees in lieu of electricity and water deposits	**339 658**	**339 658**
6.	**FIXED ASSETS**		
	Fixed assets at the beginning of the year	119 791 757	95 682 143
	Capital expenditure during the year	15 687 357	24 263 220
	Less: Assets written off, transferred or disposed of during the year		(153 606)
	Total fixed assets	135 479 114	119 791 757
	Less: Loans redeemed and other capital receipts	(108 787 867)	(92 744 456)
	Net fixed assets	**26 691 247**	**27 047 301**
	(Refer to appendix C and the CFO's report for more details on fixed assets		
7.	**INVESTMENTS**		
	Unlisted		
	Long term	1 908 139	1 647 491
	Short term	30 092 695	27 378 774
		32 000 834	**29 026 265**
	Investments are shown at the original cost price in the financial statements. Surplus Funds are invested in terms of the investment regulations and council policy.		
	Investments totalling R2 799 732 (2007: R1 810 976) were ceded to the DBSA and FNB respectively. These investments serve a security for the long term loans and bank guarantee granted.		
8.	**LONG TERM DEBTORS**		
	Vehicle loans	48 095	202 674
	Deposit - electricity	100 267	100 267
		148 362	302 941
	Less: Current portion transferred to Current Assets	(48 095)	(139 249)
		100 267	**163 692**
	Senior staff were previously entitled to car loans which attract different interest rates and is repayable over a maximum period of 5 years. These loans are repayable in the year 2008.		

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008 R	2007 R
9.	**STOCK**		
	Stock comprises of consumable goods	**2 490 439**	**1 611 371**
10.	**DEBTORS**		
	Consumer Debtors	26 039 282	25 667 998
	SARS - Vat input	2 403 371	600 863
	Sundry Debtors	4 742 330	3 558 050
	Less: Provision for Bad Debts	-9 399 779	(7 723 490)
		23 785 204	**22 103 421**
11.	**CASH AND BANKING DETAILS**		
	The Municipality has the following bank account:		
	Primary Bank Account ***First National Bank - Modimolle- Account Number 62026236829***		
	Cashbook Balance at beginning of year	4 341 584	3 657 172
	Cashbook Balance at end of year	**10 696 500**	**4 341 584**
	Bank statement balance at beginning of year	1 314 687	4 061 085
	Bank statement balance at end of year	**7 895 285**	**1 314 687**
	Cash Floats and Petty cash	15 695	0
	Total Bank and Cash	**10 712 195**	**5 656 271**
12.	**CREDITORS**		
	Trade Creditors	28 437 572	20 333 599
	Staff leave	2 343 486	1 593 486
	Amounts received in advance	4 056 485	4 292 518
		34 837 543	**26 219 603**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008 R	2007 R
13. ASSESSMENT RATES			
	Valuations as at 1 July 2007		
Residential	579 266 375	4 918 693	3 749 015
Commercial	835 244 108	8 059 718	7 738 362
Agricultural	15 217 163 204	991 935	3 956 850
		13 970 346	**15 444 227**

Valuation of land is performed every 4 years. A new valuation roll came into being as from 1 July 2003. The basic rate was 12.92 (2007 - 12.3) cents per rand on land value. A rebate of 20% was granted to residential properties. An additional 40% was granted to pensioners who applied and qualified therefore. Agricultural rate was 3.23 cents per rand on land value.

14. COUNCILLOR'S REMUNERATION		
Mayor	489 904	403 295
Speaker	395 323	
Chief Whip	363 778	
Executive Committee	409 610	
Councillor's allowances	597 740	2 634 120
	2 256 355	**3 037 415**

15. AUDITORS REMUNERATION		
Audit fees - Current year		**721 423**

16. FINANCE TRANSACTIONS		
Total external interest earned or paid:		
Interest earned	2 953 140	
Interest paid	597 831	589 788
Capital charges debited to operating account		
Interest : External	597 831	589 788
Internal	1 337 597	1 468 664
Redemption : External	485 080	472 077
Internal	1 583 393	1 583 342
	4 003 901	**4 113 871**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
17. APPROPRIATIONS		
Appropriation account		
Accumulated surplus at the beginning of the year	22 514 937	24 318 853
Operating surplus	2 669 960	9 067 960
Appropriation for the year	(1 861 144)	(10 871 876)
	23 323 753	**22 514 937**
Operating account:		
Capital expenditure	1 678 050	210 932
Contributions to:		
Provision for bursary loans	300 000	190 000
Provision for leave money	750 000	100 000
Working Capital Reserve	3 150 000	2 500 000
Capital Development Fund	773 047	637 745
	6 651 097	**3 638 677**
18. CASH GENERATED BY OPERATIONS		
Surplus for the year	2 669 960	9 067 960
Appropriations for the year	(1 861 144)	(10 871 876)
Appropriations charged against income	6 651 097	3 495 115
Capital Development Fund	773 047	637 745
Provisions and Reserves	4 200 000	2 651 857
Fixed assets	1 678 050	205 513
Capital charges	4 003 901	4 113 871
Interest paid		
- to internal funds	1 337 597	1 468 664
- on external loans	597 831	589 788
Redemption		
- of internal advances	1 583 393	1 583 342
- of external loans	485 080	472 077
Investment income (operating account)	(2 953 140)	(2 754 153)
Non-operating income	1 817 477	2 166 070
Non-operating expenditure	2 559 233	14 786 535
	12 887 384	**20 003 522**
19. DECREASE/(INCREASE) IN WORKING CAPITAL		
Increase in stock	(879 068)	(460 036)
Increase in debtors	(1681 783)	
Decrease in long term debtors	63 447	2 711 263
Increase in creditors, consumer deposits	154 579	3 293 146
Increase in provisions		100 000
	(2 342 825)	**5 644 373**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
20. (DECREASE)/INCREASE IN LONG TERM LOANS		
Loans raised	0	
Loans repaid	(608 553)	(567 419)
	(608 553)	**(567 419)**
21. INCREASE IN EXTERNAL CASH INVESTMENTS		
Investments withdrawn/made	**(2 974 569)**	**(2 297 209)**
22. (INCREASE)/DECREASE IN BANK AND CASH		
Cash balance at the beginning of the year	(4 341 584)	3 657 172
Less: Cash balance at the end of the year	10 712 195	(4 341 584)
	6 370 611	**(684 412)**

23. RETIREMENT BENEFITS

Personnel are members of the Municipal Gratuity Fund, Municipal Employees Pension Fund, Sala Pension Fund, SAMWU Provident Fund and National Fund for Municipal Workers, whilst councillors are members of the Municipal Pension Fund for Councillors.

24. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees by the Council in respect of building society and commercial bank housing loans for officials	**1 200**	**1 200**

Management estimates the following to be contingent liabilities:

- A dispute with L.K Thobane amounting to R90 000 is in progress
- An arbitration award is made for EDC Brooks for an amount of R300 000
- An abitration award is made for K C Joubert for an amount of R150
- 000
- - Unfair labour practice against J Kekae

25. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for		**1 010 655**
This expenditure will be financed from		
- Internal sources		448 208
- External sources		562 447
	0	**1 010 655**

	2008 R	2007 R
26. GOVERNMENT GRANTS & SUBSIDIES		
Operating Grants	22 957 357	19 171 000
Equitable Share	21 218 666	18 671 000
Finance Management Grant	500 000	500 000
Municipal Systems Improvement Grant	727 653	
Other	511 038	
Capital Grants	8 571 732	
Municipal Infrastructure Grant	8 571 732	
Other		
Total Government Grants and Subsidies	**31 529 089**	**19 171 000**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy equal to basic charges for Electricity, Refuse Removal , Sewerage and Water Services, which subsidy is adjusted as tariffs increase. All residential households receive 6 kl water and 50 kwh electricity free every month.

Finance Management Grant

Balance unspent at the beginning of year	295 950	
Current year receipts	500 000	
Conditions met - transferred to revenue	(500 000)	
Unspent amount transferred to liabilities	**295 950**	**295 950**

The grant was utilised for the appointment of interns and upgrading of the financial system.

Municipal Systems Improvement Grant

Balance unspent at beginning of year		
Current year receipts	734 000	
Conditions met - transferred to revenue	(727 653)	
Unspent amount transferred to liabilities	6 347	0

The grant wasutlised for institutional purposes.

Municipal Infrastructure Grant

Balance unspent at beginning of year	0	0
Current year receipts	8 571 732	
Conditions met - transferred to revenue	(8571 732)	
Unspent amount transferred to liabilities	0	0

The grant was utilised for the construction of water and sewer reticulation.

	2008 R	2007 R
27. FRUITLESS AND WASTEFUL EXENDITURE		
Reconciliation of fruitless and wasteful expenditure		
Opening Balance	300 229	264 229
Irregular expenditure current year		36 000
Condoned or written off by Council		-
Irregualr expenditure awaiting condonement	**300 229**	**300 229**
Interest and penallties on late submission of VAT returns resulted in fruitless and wasteful expenditure of R83 380 (2006: R264 229)		
28. EMPLOYEE RELATED COSTS		
Employee related costs-Salaries	26 355 434	24 402 051
Employee related costs- Contributions for UIF, Pensions, and Medical Aids	5 641 336	5 493 709
Travel, MotorCar, Accomodation, Subsistence, and Other Allowances	2 451 322	
Housing Benefits and Allowances	253 869	
Overtime Payments	1 112 691	
Total Employee Related Cost	**35 814 652**	**29 895 760**
Remuneration of the Municipal Manager		
Annual Remuneration	332 973	
Car Allowance	139 480	
Company Contributions to UIF, Medical and Pension Funds	112 941	
Total	**585 394**	**0**
Remuneration of the Chief Financial Officer		
Annual Remuneration	353 745	
Car Allowance	120 000	
Company Contributions to UIF, Medical and Pension Funds	1 473	
Total	**475 218**	**0**
Remuneration of the Corporate Services Manager		
Annual Remuneration	252 786	
Car Allowance	97 798	
Company Contributions to UIF, Medical and Pension Funds	60 669	
Total	**411 253**	**0**
Remuneration of the Technical Services Manger		
Annual Remuneration	294 904	
Car Allowance	101 213	
Company Contributions to UIF, Medical and Pension Funds	72 249	
Total	**468 366**	**0**
Remuneration of the Social Services Manager		
Annual Remuneration	254 377	
Car Allowance	113 935	
Company Contributions to UIF, Medical and Pension Funds	89 674	
Total	**457 986**	**0**

	2008 R	2007 R
29. COUNCILOR'S ARREAR CONSUMER ACCOUNTS		
The following councillor has arrear amounts in their accounts as at 30 June 2008		
Councillor T T Mohapi	5 070	4 263
Councillor M P Kekana	5 815	79
Councillor M S Motshegoa	-	4 025
Coucillor W J Fourie	-	203
Coucillor K E Lekalakala	-	1 114
Coucillor S A Sebolai	1 036	253
Coucillor M A Moima	-	6 539
Coucillor M S Olifant	-	172
Coucillor L R Motshegoa	-	4 919
Coucillor L W Van Aswegen	-	405
Coucillor W L Botes(junior)	-	8 984
Coucillor M J Mashao	-	8 846
Coucillor R R Molekoa	-	1 146
Coucillor S D Sebelebele	3 431	6 091
Councillor L G Trichardts	5 524	17 613
Total Councillor's arrears	**20 876**	**64 652**
30. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
Contributions to SALGA		
Opening Balance		
Councils Subscriptions		93 336
Amount Paid (Current year)		(93 336)
Amount Paid previous years		
Balance unpaid as at 30 June 2007	**-**	**-**
Audit fees		
Opening Balance		
Current Year Audit Fee	262 879	721 423
Amount Paid - Current Year	(262 879)	(721 423)
Balance unpaid as at 30 June 2007	**-**	**-**
VAT		
VAT disclosures are shown in note 10.		
PAYE & UIF		
Opening Balance		
Current Year Payroll Deductions	3 157 797	
Amount Paid - current year	(3 157 797)	
Balance Unpaid	**-**	**-**
Pension and Medical Aid Deductions		
Opening Balance		
Current year Payroll Deductions and Council Contributions	7 570 634	
Amount Paid -current year	(7 570 634)	
Balance Unpaid	**-**	**-**

APPENDIX A

ACCUMULATED FUNDS, PROVISIONS AND TRUST FUNDS

	Balance at 30 June 2007	Contribu-tions	Interest on investments	Other income	Expenditure	Balance at 30 June 2008
	R	R	R	R	R	R
STATUTORY FUNDS						
Capital Development Fund	21 548 149	773 047		1 624 494		23 945 690
Endowment Electricity	548 076			80 204		628 280
Endowment Water	222 778					222 778
Endowment Sewerage	174 266					174 266
Land trust fund	4 582 430			1 223		4 583 653
Endowment Extension 9	5 754					5 754
Town Development Suspense	(42 312)			105 643	333 832	(270 501)
Bursary Loan Fund	377 443	300 000		5 913	216 237	467 119
Loan Redemption Fund	364 018					364 018
Parking Fund	35 000					35 000
	27 815 602	**1 073 047**	**-**	**1 817 477**	**550 069**	**30 156 057**
HOUSING FUND	**340 558**	**-**	**-**	**-**	**-**	**340 558**
TRUST FUNDS						
Road subsidy fund	12 485	-	-	-	-	12 485
Coin collection and artworks	35 758	-	-	-	-	35 758
Voortrekker memorial garden	1 026	-	-	-	-	1 026
	49 269	**-**	**-**	**-**	**-**	**49 269**

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

	Date issued	Interest rate	Loan number	Date redeem	Balance at 30 June 2007	Received during the year	Capital redemption	Balance at 30 June 2008
					R	R	R	R
EXTERNAL LOANS								
ABSA	1999	Fluctuating	3004592353	2009	329 125		178 924	150 201
Development of South Africa	1999	16.50%	11191/1	2014	642 932		54 039	588 893
Development of South Africa	1997	12%	LN10467	2017	1 885 834		100 271	1 785 563
Development of South Africa	2000	Fluctuating	NP13537	2020	1 883 437		147 720	1 735 717
Development of South Africa	2002	Fluctuating	LN14008/1	2011	546 750		121 500	425 250
Loan for Local Authorities	1995	13.30%	LALF15419	2009	17 418		6 099	11 319
					5 305 496		**608 553**	**4 696 943**
INTERNAL ADVANCES								
Land Trust Fund					8 931			8 931
Capital Development Fund					16 880 468			16 880 468
					16 889 399	**-**	**-**	**16 889 399**

APPENDIX C

ANALYSIS OF FIXED ASSETS

Expenditure 2007		Budget 2008	Balance at 30 June 2007	Expenditure 2008	Written off, transferred, redeemed or disposed of during year	Balance at 30 June 2008
R		R	R	R	R	R
10 823 993	**RATE AND GENERAL SERVICES**	-	69 489 675	12 877 378	-	80 235 259
5 028 017	**Community services**	-	42 008 403	4 223 591	-	45 778 250
1 100 719	Asian township		3 474 188			3 474 188
184 254	Cemetary		584 866			584 866
	Library		580 318			580 318
	Civil defence		1 817			1 817
	Stores		30 703			30 703
	Museum - J G Strijdom		320			320
	Museum - Open air		50 812			50 812
900 274	Public works		20 865 346	2 317 804		23 183 150
976 599	Parks and recreation grounds		4 213 977	468 002		4 681 979
861 788	Communication & Development		1 188 436			1 188 436
258 281	Council general expenses		746 916			746 916
515 491	Financial Services		2 044 616	531 655		2 576 271
	IDP/LED			125 799		
	Townsip Development			327 945		
	Administrative Services		628 533			628 533
	Estates		1 917 534			1 917 534
225 191	Traffic services		3 099 427	444 568		3 543 995
	Aerodrome		217 950			217 950
	Enviromental Health		74 574			74 574
	Swimming bath		20 001			20 001
	HR Services		161 364			161 364
	Technical Services		1 637 939			1 637 939
5 419	Workshop		468 765	7 818		476 583
0	**Subsidised services**	-	122 078	1 678 050.0		122 078
	Fire brigade		-			0
	Clinic		122 078			122 078
5 795 976	**Economic services**	-	27 359 194	6 975 737		34 334 931
	Licensing		1 188 760			1 188 760
840 871	Municipal buildings		5 046 161	1 487 379		6 533 540
856 695	Refuse removal		3 780 182			3 780 182
4 098 410	Sewerage		17 344 091	5 488 358		22 832 449
0	**HOUSING SERVICES**		11 037			11 037
	Sub economic housing		11 037			11 037
13 439 227	**TRADING SERVICES**		50 294 191	4 488 029		54 782 220
650 808	Electricity		18 178 561	1 503 680		19 682 241
12 788 419	Water		32 115 630	2 984 349		35 099 979
24 263 220	**TOTAL FIXED ASSETS**		119 794 903	15 687 357		135 482 260
21 924 637	**LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS**		92 744 456	16 043 411		108 787 867
2 644 201	Loans redeemed and advances repaid		11 776 913	2 068 473		13 845 386
19 074 923	General capital		79 978 902	12 296 888		92 275 790
205 513	Contributions from operating income		988 641	1 678 050		2 666 691
2 338 583	**NET FIXED ASSETS**		**27 050 448**			**26 694 394**

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R	Budget 2007 R		Actual 2008 R	Budget 2008 R
		INCOME		
18 671 000	18 671 000	National and Provincial grants and subsidies	31 529 089	36 562 095
		Income from tariffs, service charges, etc		
15 444 228	13 506 040	- Rates	13 970 347	12 460 061
11 021 577	12 612 185	- Water	12 110 863	15 166 714
23 470 709	22 422 340	- Electricity	25 811 869	24 767 747
16 246 186	9 009 725	- Other	20 128 838	15 437 718
84 853 701	**76 221 290**		**103 551 006**	**104 394 335**
		EXPENDITURE		
29 895 760	28 843 219	Salaries, wages and allowances	35 814 652	33 625 922
47 109 083	48 857 817	General expenses	53 522 176	53 196 518
2 311 666	2 635 981	Repairs and maintenance	2 850 904	2 191 469
4 113 871	3 340 470	Capital charges	4 003 901	5 750 204
210 932	252 000	Contributions to fixed assets	1 678 050	1 776 000
3 427 745	3 437 745	Contributions	14 817 418	19 625 911
87 069 057	87 367 232	**Gross expenditure**	112 687 101	116 166 024
11 283 316	11 236 235	Less: Amounts charged out	11 806 055	11 798 028
75 785 741	76 130 997		100 881 046	104 367 996

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income R	2007 Actual expenditure R	2007 Actual Surplus / (Deficit) R	Service	2008 Actual income R	2008 Actual expenditure R	2008 Actual Surplus / (Deficit) R	2008 Budget Surplus / (Deficit) R
45 178 345	40 631 820	4 546 525	**GENERAL SERVICES**	52 004 546	60 292 933	(8 288 387)	(10 147 163)
30 825 531	28 689 366	2 136 165	**Community services**	31 858 514	39 352 588	(7 494 074)	(10 722 743)
92 052	542 828	(450 776)	Cemetery	174 185	664 576	(490 391)	(536 252)
42 940	709 897	(666 957)	Library	31 647	837 070	(805 423)	(880 416)
63 636	2 094 365	(2 030 730)	Traffic services	127 350	2 393 353	(2 266 003)	(2 573 412)
	191 569	(191 569)	Health			-	
5 900	2 889 177	(2 883 277)	Parks and recreation	484 040	4 432 903	(3 948 863)	(2 968 367)
	350 463	(350 463)	Human Resources	66 400	619 810	(553 410)	(563 453)
			IDP/LED	11 038	891 812	(880 774)	(796 837)
	818 634	(818 634)	Commun & Dev		569 785	(569 785)	(644 679)
	1 127 274	(1 127 274)	Services	829 710	2 243 711	(1 414 001)	(555 472)
18 131 643	9 266 413	8 865 230	Councils general exp	20 896 283	12 308 935	8 587 348	5 704 056
12 158 576	3 081 912	9 076 664	Financial Services	7 763 702	4 252 230	3 511 472	499 638
166 634	1 018 715	(852 081)	Town Planning	201 834	1 254 837	(1 053 003)	(1 047 534)
	5 775 776	(5 775 776)	Public works	1 115 614	8 063 908	(6 948 294)	(5 702 283)
164 150	133 093	31 057	Property	156 711	115 492	41 219	46 313
	689 249	(689 249)	Workshop		704 166	(704 166)	(704 045)
192 215	625 397	(433 182)	**Subsidised**	252 798	210 908	41 890	-
192 215	215 487	(23 272)	Fire brigade	252 798	210 908	41 890	-
	409 910	(409 910)	Clinic			-	
14 160 599	11 317 057	2 843 542	**Economic services**	19 893 234	20 729 437	(836 203)	575 580
5 272 564	3 982 349	1 290 215	Refuse removal	6 335 049	5 757 056	577 993	2 177 116
1 224 723	1 257 938	(33 215)	Licensing	127 157	1 513 854	(1 386 697)	438 566
135 932	2 501 320	(2 365 388)	Municipal buildings	549 335	3 323 017	(2 773 682)	(2 511 121)
7 527 380	3 575 450	3 951 930	Sewerage	12 881 693	10 135 510	2 746 183	471 019
39 675 356	35 153 921	4 521 435	**TRADING SERVICES**	51 546 460	40 588 113	10 958 347	10 217 205
26 646 646	24 021 643	2 625 003	Electricity	32 153 398	25 876 550	6 276 848	4 979 825
13 028 710	11 132 278	1 896 432	Water	19 393 062	14 711 563	4 681 499	5 237 380
84 853 701	75 785 741	9 067 960	**TOTAL**	103 551 006	100 881 046	2 669 960	70 042
		(10 871 876)	Appropriations for the year (note 17)			(1 861 144)	
		(1 803 916)	**Net surplus for the year**			808 816	
		24 318 853	Accumulated surplus beginning of the year			22 514 937	
		22 514 937	**SURPLUS END OF THE YEAR**			**23 323 753**	